

## Message Text

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ACTION XMB-07

INFO OCT-01 AF-10 ISO-00 EB-11 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /088 W

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R 110920Z APR 74

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 7972

LIMITED OFFICIAL USE KHARTOUM 0774

E.O. 11652: N/A

TAGS: BEXP, SU

SUBJ: SALE OF GE LOCOMOTIVES TO SUDAN RAILWAYS

REF: (A) KHARTOUM 0-11, (B) STATE 53670

1. SUMMARY: GENERAL ELECTRIC (GE) REP CURRENTLY HAND-CARRYING FORMAL APPLICATION TO EXIM FROM SUDAN RAILWAYS (SR) FOR FINANCING 20 MAINLINE LOCOMOTIVES. EMBASSY HOPES FINALIZING CREDIT ARRANGEMENTS WILL ASSURE GE ABLE MAINTAIN DELIVERY SCHEDULE AND AVOID ANY LAST-MINUTE EFFORT BY COMPETITOR UNDERCUT DEAL. END SUMMARY.

2. GE REP NEVIN COMPLETED HIS DISCUSSIONS WITH SR AND DEPARTED SUDAN APRIL 10 WITH SIGNED ORIGINAL OF LETTER FROM SR GENERAL MANAGER TO EXIM CHAIRMAN CASEY REQUESTING FINALIZATION OF FINANCING FOR 20 REPEAT 20 MAINLINE LOCOMOTIVES. TOTAL COST INCLUDING SPARES AND TRANSPORT IS JUST OVER \$11 MILLION. NEVIN EXPECTS LETTER (COPY BEING POUCHED AFON) TO BE DELIVERED EXIM NEXT WEEK APRIL 15. FINANCING ADDITIONAL TEN LIGHTER LOCOMOTIVES STILL UNDER DISCUSSION BUT GE WILL NOT APPROACH EXIM  
GE WILL HAVE ITS CONSORTIUM OF BANKS  
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MAKE FORMAL PROPOSAL AND SR ITSELF WILL EXPLORE OTHER

POSSIBILITIES. AT MOMENT NEVIN BELIEVES TOTAL PACKAGE OF 30 LOCOMOTIVES SHOULD GO THROUGH.

3. ONE ELEMENT OF CONCERN IS CONTINUING ACTIVITY OF GERMAN FIRM HENSCHEL. BOTH IN TERMS RESPONDING TO SR NEEDS AND IN FINALIZING ITS FINANCING PACKAGE HENSCHEL APPEARS BE MOVING

QUICKLY. IT HAS FOR EXAMPLE OFFERED MODIFICATION PROVIDING SELF-CLEANING FILTERS WHICH GE WAS FORTUNATELY PREPARED TO MATCH AND, WHEN SR ASKED THAT TWO COMPANIES MEET TO COORDINATE BRAKE SYSTEMS, HENSCHEL EXPRESSED WILLINGNESS

BE IN PITTSBURGH WITHIN FIVE DAYS. GERMANS THUS ARE EAGER PROVE THEMSELVES AND MOVE IN IF GE UNABLE DELIVER.

4. IN THIS CONNECTION KEY FACTOR MAY BE SPEED WITH WHICH GE FINANCING PACKAGE CAN BE FINALIZED. NEVIN INDICATES WORK ON LOCOMOTIVES UNLIKELY BEGIN UNTIL PAYMENT TERMS FIXED. SINCE, AS INDICATED PREVIOUS REPORTING, TIMING OF DELIVERY IS PRIME CONCERN GOS, DELAY IN FINANCING ARRANGEMENTS COULD JEOPARDIZE SALE ITSELF. THEREFORE, WHILE REALIZING THERE ARE NUMEROUS REQUIREMENTS TO BE MET, EMBASSY WISHES EMPHASIZE SPECIAL IMPORTANCE THIS INSTANCE OF EXPEDITIOUS EXIM PROCESSING.  
BREWER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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